



Agenda Date: 5/20/20
Agenda Item: 4C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

OFFICE OF CABLE TELEVISION
AND TELECOMMUNICATIONS

IN THE MATTER OF IMPLEMENTATION OF) ORDER
EXECUTIVE ORDER 126 PROHIBITING CABLE AND)
TELECOMMUNICATIONS PROVIDERS FROM)
TERMINATING INTERNET AND VOICE SERVICE) DOCKET NO. TO20040314

Parties of Record:

Laura Miller, Esq., Scarinci Hollenbeck, on behalf of Comcast
Paul Jamieson, Esq., Altice USA, Inc.
Richard C. Fipphen, Assistant General Counsel, Verizon New Jersey
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 13, 2020, Governor Philip D. Murphy issued Executive Order 126 ("EO 126") in response to the global public health crisis. EO 126 serves to prohibit the disconnection of voice and internet services for residential customers for nonpayment during the declaration of the Public Health Emergency and State of Emergency due to the COVID-19 Pandemic ("Pandemic"). These actions were taken in recognition of the need to maintain consistent access to voice and internet services throughout the Pandemic. Services such as these are necessary and essential to support New Jersey residents.

In addition to preserving the provisioning of voice and internet service to residential customers, EO126 allows for the reduction of internet and voice services due to nonpayment to mitigate the effect of accumulated balances for residential consumers. Accordingly, EO 126 states, "a cable or telecommunications provider that provides residential internet and voice services to New Jersey residents may downgrade or otherwise reduce the quality of residential internet or voice services provided due to nonpayment only if acting pursuant to a policy approved in writing by the Board of Public Utilities as long as this Order remains in effect." Ordering Paragraph 2 of EO 126 at Page 4.

Pursuant to EO 126 Board of Public Utilities (Board) Staff issued queries to the State's incumbent Cable TV and Telecommunications Providers, requesting that those seeking to implement policies for the downgrade or reduction of quality of residential internet or voice services as described in EO 126, should submit such plans for Board review no later than April 21, 2020.

Thereafter correspondence was received from two carriers, Comcast and Altice U.S.A. (“Altice”) While Altice submitted a summary of its current operations, including an option for customers to voluntarily downgrade services, Comcast was the only provider to submit a mandatory downgrading of internet services plan.

COMCAST

On April 14, 2020 Comcast submitted its Plan to the Board for review. Under Comcast’s Plan, titled the “Xfinity Assistance Plan” (“XAP”), in lieu of account suspension, customers with overdue balances would be automatically transferred to the XAP, resulting in a reduction in their Internet service speed to 25/3 Mbps, along with continuation of their existing voice services, at a reduced price of \$14.95/month. Comcast contends that the XAP was developed “so residential customers who otherwise would have had their services suspended for nonpayment can continue to receive broadband Internet and current voice services without accruing large outstanding balances during this difficult period” and that it will “increase the chances that they will be able to stay connected and avoid continued financial hardship even after this period.” See Comcast Letter to Board Secretary, “The Xfinity Assistance Plan”, April 14, 2020 at pg. 3. Comcast maintains in its filing that the reduced Internet speed of 25/3 Mbps “is more than sufficient for a household to obtain access to services that enable residents to work and further their education at home, including distance learning, video conferencing and other streaming services, news and information, and email.”

Customers moved onto the XAP will be notified by email, text message or letter, and it will also be reflected on their bill. XAP customers will also not be subject to early termination fees, reconnection fees, or late fees while on the program. Comcast also will allow customers the option to adjust their service plans to meet their current circumstances and/or financial situation, without being charged any change fees.

On May 7, 2020, the Division of Rate Counsel (“Rate Counsel”) filed comments with the Board on Comcast’s Plan, indicating that they had no objection if the Board determines after its review that the policies outlined by Comcast are in compliance with EO 126. Rate Counsel noted that Comcast provided information through post filing discussions regarding several areas of concern. On the impact of the proposed slower service speed on service, Comcast provided information addressing Rate Counsel’s concerns regarding the ability of the reduced Internet speeds to handle multiple users engaged in working from home and long distance learning using popular video conferencing interfaces such as Zoom. Comcast explained that “the bandwidth used by Zoom will automatically adjust for 3G, WiFi or Wired environments optimized for the best experience based on the participants’ network and noting that Zoom’s required group video calling speed (800kbps/1.0Mbps up/down) for high quality video would allow three users online at the same time.” See Comments of Division of Rate Counsel, “Comcast Xfinity Assistance Plan Filing Re: Executive Order 126 BPU Docket No.: TO20040314”, May 7, 2020 at pg 3.

Regarding Comcast’s treatment of data allowances or data caps, they provided Rate Counsel with a copy of a Company press release dated April 28, 2020, extending the company’s COVID-19 Response Policies to June 30, 2020, including a commitment “pausing data plans to give all customers unlimited data for no additional charge.” Comcast indicated that this pause would apply to customers on its XAP Plan.

Rate Counsel questioned Comcast on the impact of the XAP on existing low-income customers or newly enrolled low-income customers. Comcast noted in post filing discussions with Rate

Counsel that included in the Company's extension of its COVID-19 Response Policies to June 30, 2020 is a commitment to continue providing its Internet Essentials package providing internet service of 25/3 Mbps to low-income eligible customers.

Rate Counsel also inquired with Comcast on their policies regarding small business customers experiencing economic hardship due to the COVID-19 Pandemic. In post filing discussions with Rate Counsel, Comcast noted that businesses with overdue accounts may avail themselves of the Company's Business Assistance Plan (BAP), which allows businesses that are not currently operating but require a baseline of service, to ease their return to regular business at \$29.95 per month at an internet speed of 10/3 Mbps. The BAP also allows limited voice service for local calls, e911 and call forwarding, while suspending cable T.V. service and equipment rental charges.

ALTICE

On April 21, 2020, Altice filed a letter with the Board confirming its compliance with EO 126 and describing various measures implemented by the Company in response to the COVID-19 Pandemic. Altice noted several initiatives, including: 1) the Altice Advantage Internet program, providing free 30 Mbps service to any household with K-12 and/or college student(s) displaced due to school closures who are not already Optimum broadband customers, through June 30, 2020; 2) free connectivity to the Optimum WiFi Hot Spot Network for students with school-issued devices, through June 30, 2020; and 3) free installations for new and existing health care and first responder small to medium-sized business customers.

In Compliance with EO 126, Altice noted that "it would not disconnect broadband or voice service for residential customers due to nonpayment so long as [EO 126] remains in effect." In addition, customers with overdue balances "will have the option of maintaining the current level of broadband service or choosing to take a 30 Mbps broadband product." Altice states that the 30 Mbps service is offered at a reduced cost of \$14.99/month, "as a way to assist customers in managing the bill that will be owed for services received at the end of the period ... [h]owever, a customer may choose to retain the current level of service, consistent with the terms and conditions of the specific service package." See Altice Letter to Board Secretary, "Re: Altice Compliance with NJ Executive Order 126", April 21, 2020.

On May 7, 2020, Rate Counsel filed comments with the Board on Altice's Plan indicating that they had no objection if the Board determines after its review that the policies outlined by Altice are in compliance with EO 126. They noted, however, that the filing did not address the Company's policy in several key areas: 1) the impact of the proposed slower service speed on meeting the increased needs of service in average households; 2) its use of data allowances or data caps; and 3) treatment or service options for small business customers experiencing economic hardship, as a result of COVID-19 business restrictions.

Staff, upon reviewing the comments of Rate Counsel, notes that while the Altice customer option of downgrading service at a reduced cost is elective, information concerning the effect on the service rendered is instructive and helpful to the Board's implementation of EO 126.

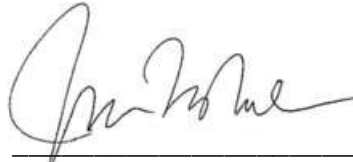
Having reviewed the submissions filed by Altice and Comcast, the Board **HEREBY FINDS** that the policies outlined by Altice and Comcast are within compliance of Ordering Paragraph 2 of EO 126.

The Board **FURTHER ORDERS** that, Altice provide the Board within 14 days of the effective date of this Order, data regarding: 1) the impact of the slower speed on service in average households; 2) its use of data allowances or data caps; and 3) treatment or service options for small business customers experiencing economic hardship as a result of COVID-19.

All parties are required to notify the Board of any changes in policy within 24 hours with respect to compliance with EO 126.

DATED: May 20, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF IMPLEMENTATION OF EXECUTIVE ORDER 126 PROHIBITING
CABLE AND TELECOMMUNICATIONS PROVIDERS FROM TERMINATING INTERNET AND
VOICE SERVICE - DOCKET NO. TO20040314**

SERVICE LIST

Laura M. Miller, Esq.
Scarinci Hollenbeck
1100 Valley Brook Ave
Lyndhurst, NJ 07071
lmiller@sh-law.com

Elizabeth Murray
Senior Director of Regulatory Affairs
Comcast
50 Randolph Road
Somerset, NJ 08873
Elizabeth.Murray@comcast.com

Paul Jamieson
Vice President, Government Affairs & Policy
Altice USA
1 Court Square West, 49th Fl
Long Island City, NY 11101
paul.jamieson@AlticeUSA.com

Marilyn D. Davis
Area Director, Government Affairs
Altice USA
494 Broad Street
Newark, NJ 07102
marilyn.davis16@AlticeUSA.com

Richard C. Fipphen
Assistant General Counsel
Verizon New Jersey Inc.
140 West Street, 6th Floor
New York, New York 10007
richard.fipphen@verizon.com

Ava-Marie Madeam
Vice President, State Regulatory Affairs
NY,NJ,CT
Verizon New Jersey, Inc.
999 West Main Street, 3rd Floor
Freehold, NJ 07728
Avamarie.p.madeam@verizon.com

NJ Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Pamela Owen, DAG
Asst. Sec Chief
pamela.owen@law.njoag.gov

Meliha Arnautovic, DAG
Meliha.Arnautovic@law.njoag.gov

Board of Public Utilities
Post Office Box 350
Trenton, NJ 08625-0350
name@bpu.nj.gov

Paul Flanagan,
Executive Director
Paul.flanagan@bpu.nj.gov

Robert Brabston
Deputy Executive Director
Robert.Brabston@bpu.nj.gov

Abraham Silverman, Esq.
General Counsel
abe.silverman@bpu.nj.gov

Carol Artale, Esq.
Deputy General Counsel
Carol.artale@bpu.nj.gov

Lawanda Gilbert, Director,
Office of Cable Television and
Telecommunications
Lawanda.gilbert@bpu.nj.gov

Sylvia Del Vecchio, Manager
Verizon New Jersey Inc.
9 Gates Avenue, 2nd Floor
Montclair, New Jersey 07042-3399
Sylvia.I.del.vecchio@verizon.com

Division of Rate Counsel
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Maria Novas-Ruiz, Esq.,
Asst Dep Rate Counsel
mnovas-ruiz@rpa.nj.gov

Harold Bond, Bureau Chief
Office of Cable Television and
Telecommunications
harold.bond@bpu.nj.gov

William Furlong, Bureau Chief
Office of Cable Television and
Telecommunications
William.Furlong@bpu.nj.gov